

**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

SECTION	DESCRIPTION
1	Description and Justification
2	Compliance with Commission Rules
3	Cost Development
4	Rate Development
5	Trending

**BEEHIVE TELEPHONE COMPANY, INC.
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SECTION 1

DESCRIPTION and JUSTIFICATION

DESCRIPTION

The accompanying tariff material, issued on behalf of Beehive Telephone Company, Inc. and Beehive Telephone Co., Inc. Nevada ("Beehive"), and bearing Tariff F.C.C. No. 1, effective January 1, 2000 is being provided to support a revised tandem switching rate and the elimination of the transport interconnection charge rate. These rate changes are filed pursuant to §69.111 (g) (3) which requires, beginning January 1, 2000, the tandem switching charge imposed pursuant to paragraph (a) (2) (ii) of this section be set to recover the entire interstate tandem switching revenue requirement, including the portion formerly recovered through the interconnection charge.

JUSTIFICATION

This filing is being made in compliance with the rule §69.3 (b) which indicates that revisions to annual tariffs that will become effective on dates other than July 1 may be filed. The rules imposed by §69.111 (g) (3) are effective January 1, 2000.

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TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

SECTION 2

COMPLIANCE WITH COMMISSION RULES

This filing is in compliance with the requirements of the Communication Act of 1934, as amended. Beehive has opted not to provide documentation as prescribed by §61.39 of the Commission Rules regarding companies with less than 50,000 access lines. However, Beehive will provide documentation if so requested by the FCC.

**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

SECTION 3

COST DEVELOPMENT

This tariff filing is a revision to Transmittal No. 19 that was made as a biennial filing in an odd numbered year. Therefore, the development of costs for this filing did not change from that used in the previous filing. All financial and demand data remained the same as did the method used to develop costs. A copy of the cost development submitted with Transmittal 19 is included and can be found on Worksheet 4. Also included from Transmittal 19 are Beehive's revenue requirements by rate element (Worksheet 5), Beehive's access demand (Worksheet 6), and a flowchart identifying the order in which this data was used in the development of cost and rates (Worksheet 7).

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BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

SECTION 4

RATE DEVELOPMENT

As previously indicated, the purpose of this filing is to eliminate the transport interconnection charge rate and develop a revised tandem switching charge that would be set to recover the entire interstate tandem switching revenue requirement, including that portion formerly recovered through the interconnection charge. As such all other rates previously filed in Transmittal No. 19 would be calculated the same and remain the same as filed in Transmittal No. 19. The rate development, filed previously with Transmittal No. 19, is included in Worksheets 2 and 3.

As explained in the Description and Justification filed with Transmittal No. 19, Beehive determined, based on §69.111 (g) (1-2), that the tandem switching rate charged should recover 70% of the tandem switching revenue requirement. This resulted in \$1,425,732 of tandem switching revenues. Beehive then took the total transport revenue requirement of \$3,633,334 and subtracted transport termination revenues (\$263,909), transport facility revenues (\$1,332,635), and tandem switching revenues (\$1,425,732) to determine the transport interconnection charge revenues. This calculation resulted in \$611,058 transport interconnection charge revenues.

To develop the revised tandem switching rate element, Beehive added the \$611,058 transport interconnection charge revenues to the \$1,425,732 tandem switching revenues and divided the sum of these two numbers by the tandem switched minutes. Worksheet 1 further describes the development of the revised tandem switching rate element. By doing the above calculation and eliminating the transport interconnection charge rate, Beehive has calculated a tandem switching rate element that is set to recover the entire interstate tandem switching revenue requirement and is, therefore, in compliance with §69.111 (g) (3).

BEEHIVE TELEPHONE COMPANY, INC.

BEEHIVE TELEPHONE CO., INC. NEVADA

TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

SECTION 5

TRENDING

The composite access rate for this filing remains .085 because interstate demand and revenue requirement did not change. The tandem switching rate element increased while the transport interconnection charge rate element was totally eliminated.

The tandem switching rate element increased from .014315 to .020450 as a result of §69.111 (g) (3) which requires the tandem switching charge be set to recover the entire interstate tandem switching revenue requirement, including the portion formerly recovered through the interconnection charge. In accordance with prescribed FCC procedures, it is necessary to increase the tandem switching rate element.

BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA

TARIFF F.C.C. NO. 1

Transmittal No. 20

December 8, 1999

Rate Development

Effective January 1, 2000

Section 8.1.1 TRANSPORT

Section 8.1.1.1 Premium Access

1.	Total Transport Tandem Switching Revenue Requirement (Worksheet 5)		\$2,036,790 (Source:
2.	70% Allowed Rev Req as Tandem Switching per \$69.111 (g) (1-2) (Per Transmittal No. 19)	\$1,425,732	
3.	Transport Interconnection Charge Revenue (TIC)	<u>\$ 611,058</u>	
4.	Total Tandem Switching Revenues (Line 2 + Line 3)	\$2,036,790	
5.	Tandem Switched Minutes (Source: Worksheet 6)		99,596,380
6.	Tandem Switching Rate per Minute per Access Tandem (Line 4/Line5)	.020450	

**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF FCC No. 1

1999 Rate Development

Section 8 Rates and Charges

Section 8.1 Switched Access Service

Section 8.1.2 End Office

Section 8.1.2.1 LOCAL SWITCHING

1. Total Local Switching Revenue Requirement			\$1,118,679
2. Premium Minutes of Use (ATT)	27,037,644	27,037,644	
3. Non Premium Minutes * 45% (1)	28,383,614	<u>12,772,626</u>	
4. Total Minutes (Line 2 + Line 3)		39,810,270	
5. Local Switching Premium Rate Per Min. ((Line 1 / Line 4)			0.028100
6. Local Switching Premium Revenues (Line 2 * Line 5)		\$759,765	
7. Local Switching Non Premium Rate (Line 1 - Line 6) / Non Premium Minutes			0.012645

Note (1): Per §69.113 (c)

Beehive Telephone Companies
Tariff FCC No. 1
1999 Rate Development

Section 8.1.1 **TRANSPORT**Section 8.1.1.1 **Premium Access**

1. Total Transport Termination Revenue Requirement		\$263,909
2. Premium Minutes of Use (ATT)	27,037,644	
3. Non Premium Minutes	<u>28,383,614</u>	
4. Total Minutes (Line 9 + Line 10)	55,421,258	
5. Transport Termination Rate per Minute per Termination (Line 1 / Line 4)		0.004762
6. Total Transport Facility Revenue Requirement		\$1,332,635
7. Premium Minutes of Use (ATT)	27,037,644	
8. Non Premium Minutes	<u>28,383,614</u>	
9. Total Minutes (Line 7 + Line 8)	55,421,258	
10. Total Composite Miles	103.49	
11. Transport Facility Rate per Minute per Mile (Line 6 / Line 9 / Line 10)		0.000232
12. Total Transport Tandem Switching Revenue Requirement		\$2,036,790
13. 70% Allowed Rev Req as Tandem Switching (Line 12 * 70%)	\$1,425,732	
14. Tandem Switched Minutes	99,596,380	
15. Tandem Switching Rate per Minute per Access Tandem (Line 13 / Line 14)		0.014315
16. Transport Interconnection Charge		
17. Total Transport Revenue Requirement	\$3,633,334	
18. Less Transport Termination Revenues (Line 5 * Line 4)	\$263,909	
19. Less Transport Facility Revenues (Line 11 * Line 9 * Line 10)	\$1,332,635	
20. Less Tandem Switching Revenues (Line 15 * Line 14)	\$1,425,732	
21. Transport Interconnection Charge Revenue (TIC)	\$611,058	
22. Premium Minutes of Use (ATT)	27,037,644	27,037,644
23. Non Premium Minutes * 45% (1)	28,383,614	<u>12,772,626</u>
24. Total Minutes (Line 22 + Line 23)		39,810,270
25. TIC Premium Rate Per Min. ((Line 21 / Line 24)		0.015349
26. TIC Premium Revenues (Line 25 * Line 22)	\$415,008	
27. TIC Non Premium Rate (Line 21 - Line 26) / Non Premium Minutes		0.006907

**BEEHIVE TELEPHONE COMPANY, INC.
BEEHIVE TELEPHONE CO., INC. NEVADA**

TARIFF F.C.C. NO. 1

Transmittal No. 19

June 4, 1999

SECTION 3

COST DEVELOPMENT

This tariff filing is made as a biennial filing in an odd numbered year. Therefore, Beehive used data from the last two years to calculate revenues and demand. Using 1997 and 1998 audited financials, Beehive excluded all non-regulated and non-operating costs, and allocated the remaining investments, reserves and expenses to the proper jurisdiction according to Part 36 rules. The resulting Interstate amounts were then allocated to the appropriate Part 69 rate element based on Part 69 rules. Beehive specifically identified in the Part 69 the investment dollars associated with local switching, tandem switching, tandem switched termination, and tandem switched facility. As a result all costs were allocated according to Part 69 rules to the appropriate rate element. To determine revenue requirements, each Interstate rate element's net investment was multiplied by an 11.25% rate of return resulting in a return on investment. That amount, plus the jurisdictional state and federal taxes and expenses resulted in the revenue requirement. This process was completed for Beehive Utah 1997, Beehive Utah 1998, Beehive Nevada 1997, and Beehive Nevada 1998. The revenue requirements, calculated by rate element, for each of the studies were then added together to develop a total 1997/1998 revenue requirement by rate element. Beehive's revenue requirements by rate element can be found on Worksheet 3. Beehive's access demand can be found on Worksheet 4. Worksheet 5 describes the flow of information used in the development of rates. The flowchart on Worksheet 5 identifies the order in which this data was used in the development of costs and rates.

BEEHIVE TELEPHONE COMPANY
REVENUE REQUIREMENT
1999 TARIFF FILING

		<u>LOCAL SWITCHING</u>	<u>TANDEM SWITCHING</u>	<u>TRANSPORT FACILITY</u>	<u>TRANSPORT TERMINATION</u>	<u>TOTAL</u>
UTAH	1997	355,688	1,008,659	397,793	95,235	1,857,375
NEVADA	1997	17,180	28,039	160,896	8,523	214,638
UTAH	1998	672,888	906,541	500,256	119,787	2,199,472
NEVADA	1998	<u>72,923</u>	<u>93,551</u>	<u>273,690</u>	<u>40,364</u>	<u>480,528</u>
TOTAL		1,118,679	2,036,790	1,332,635	263,909	4,752,013

BEEHIVE TELEPHONE COMPANY
ACCESS MINUTES
1999 TARIFF FILING

		<u>PREMIUM</u>	<u>NON-PREMIUM</u>	<u>TOTAL</u>	<u>TANDEM MINUTES</u>
UTAH	1997	10,447,696	12,607,839	23,055,535	41,181,034
NEVADA	1997	206,729		206,729	412,885
UTAH	1998	13,724,636	15,775,626	29,500,262	52,692,362
NEVADA	1998	<u>2,658,583</u>	<u>149</u>	<u>2,658,732</u>	<u>5,310,099</u>
TOTAL		27,037,644	28,383,614	55,421,258	99,596,380

Transmittal No. 19
Cost Development



